

NEIL ABERCROMBIE
GOVERNOR

BRIAN SCHATZ
LT. GOVERNOR



FREDERICK D. PABLO
DIRECTOR OF TAXATION

RANDOLF L. M. BALDEMOR
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF TAXATION
P.O. BOX 259
HONOLULU, HAWAII 96809
PHONE NO: (808) 587-1530
FAX NO: (808) 587-1584

HOUSE COMMITTEE ON ECONOMIC REVITALIZATION & BUSINESS

**TESTIMONY OF THE DEPARTMENT OF TAXATION
REGARDING SB 1496, SD 1
RELATING TO ENTERPRISE ZONES**

TESTIFIER: FREDERICK D. PABLO, DIRECTOR OF TAXATION (OR
DESIGNEE)
COMMITTEE: ERB
DATE: MARCH 22, 2011
TIME: 8:00AM
POSITION: NO POSITION

This bill would include within the definition of "eligible business activity," the development and operation of certain space exploration activities.

The Department of Taxation (Department) takes **no position** on this measure.

The revenue loss is estimated to be approximately \$450,000 per year when the project becomes operational. Qualified companies in the State's enterprise zones received about \$1.5 million in tax credits in 2006. It is assumed that this proposal would expand enterprise zone activities by 30% (\$1.5 million * 30% = \$450,000).